

BEIJING REVIEW

北京周報

A CHINESE WEEKLY
OF
NEWS AND VIEWS



**On Basic Economic
Law of Socialism**



**How the Localities
Will Develop Their
Economy**



**U.S. Violates Prin-
ciples for Establish-
ment of Diplomatic
Relations With
China**

HIGHLIGHTS OF THE WEEK

Basic Economic Law of Socialism

Discussions on the basic economic law of socialism have been going on in China for some time. What is the purpose of socialist production? What should be the proper ratio between accumulation and consumption so as to increase the national income, raise labour productivity and improve the people's living standards? These and other questions are discussed in detail by Wu Jiang, a theoretical worker, the aim being to try to provide some guidelines for the current modernization programme (pp. 15-21).

Giving Play to Local Strong Points

The first three articles of a series covering the situation in the various provinces and municipalities which are presently mapping out new plans

for economic development by giving play to their own strong points (pp. 21-25).

New Management System

A new management system has been introduced in commercial enterprises in southwest China's Sichuan Province. Now responsible for their own profits and losses, they are run with greater initiative and flexibility (p. 5).

Spare-Time Education

Thirty million workers are now studying in spare-time schools throughout China—a sizable force in the modernization drive (p. 6).

Sino-Burmese Boundary Treaty Anniversary

The peaceful settlement of the boundary question between China and Burma 20 years ago has set a good example in

solving international disputes by peaceful means. The 2,100-kilometre-long boundary between the two countries today is one of peace and friendship (p. 11).

Moscow and Hanoi Told To Withdraw

Most of the delegates to the current U.N. General Assembly session have demanded that the Soviet Union and Viet Nam withdraw their troops if there is to be any political solution to the Afghan and Kampuchean questions (p. 9).



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POLITICAL

National Day Celebrated in New Ways

Coming shortly after the successful conclusion of the Third Session of the Fifth National People's Congress, which gave scope to socialist democracy and put the stress on reforms, the 31st anniversary of the founding of the People's Republic of China was joyfully celebrated across the nation on October 1.

There were some changes in the ways of celebrating this festival. For instance, there was no longer any large state banquet attended by over a thousand people as was the case previously. On the afternoon of September 30, the State Council gave a reception attended by some 400 people, including foreign diplomatic envoys and their wives, foreign correspondents in Beijing, compatriots from Xianggang (Hong-kong), Aomen (Macao) and Taiwan, patriotic overseas Chinese and veteran foreign experts who have long been helping China in its socialist construction.

In his toast at the reception, Premier Zhao Ziyang expressed heartfelt thanks to all for their sympathy and support for the People's Republic of China. He highly appraised the contributions the compatriots of Xianggang, Aomen and Taiwan and overseas Chinese have made to the nation's socialist modernization programme and to promoting the return of Taiwan to the motherland.

Premier Zhao pointed out: "The Chinese people are now working with one heart and one

mind to build China into a modern, highly democratic and civilized socialist country. While conscientiously summing up our experience and improving our work, we will study as much as possible the successful experiences gained by the people of various countries. Our socialist system will gradually perfect itself in the process of absorbing what is progressive in other countries. We have full confidence in the future of our motherland."

Premier Zhao added: "China's construction needs a peaceful international environment. We will resolutely follow the foreign policy of peace and work for the cause of combating hegemonism, preserving world peace, developing friendly co-operation with other peoples and promoting human progress."

In Beijing, a festive atmosphere prevailed everywhere, and people flocked to the parks which were decked out for the holidays, though there were no large-scale theatrical performances which used to cost a lot of money to organize.

In the evening of October 1, about 15,000 people from all walks of life in the capital gathered at the Great Hall of the People to watch performances of local operas, songs and dances, acrobatics, puppet shows, films and gymnastics. Attracting particular attention were the performances given by artists of minority nationalities who were in Beijing to take part in the art festival of national minorities.

Party and state leaders attended the get-together as ordinary citizens, not by special invitation as was the case in previous years. The people

praised this and said that the cadres now maintain closer ties with them.

No formalism, but paying attention to practical effects so as to concentrate more manpower and material resources on the four modernizations — this was a new feature in celebrating this year's National Day.

Vice-Minister's Fraud Exposed

A fraud, covered up for seven years, has now been exposed. The guilty person is Li Guocai, Vice-Minister of Chemical Industry.

The "Guocai-type boiler," an industrial steam boiler named after him, was a mystery during the "cultural revolution" and remained so until its fraudulent nature was made known only a short time ago by the Central Commission for Inspecting Discipline under the Central Committee of the Chinese Communist Party. A circular to stop making such boilers has been issued by the department concerned.

Li Guocai, 48, was the head of a processing group in the construction company under the Jilin Chemical Industrial Corporation in northeast China. He became leader of a local "rebel" organization in Jilin city during the "cultural revolution" and was rapidly promoted to the post of Vice-Minister of Petroleum and Chemical Industries and later Vice-Minister of Chemical Industry.

When the boiler was designed and built by his group around 1972, it met with im-

mediate opposition. But Li, then vice-chairman of the revolutionary committee of Jilin, stepped in and boasted that the newly designed boiler was a pioneering undertaking "never before seen in China or known in the world literature of boiler-making."

When specialists and technicians sent by the State Bureau of Labour and the provincial and municipal bureaus of labour in Jilin put forward suggestions to improve it after making a thorough study, Li branded them as "bourgeois authorities" who "should step down from the stage of history." At the same time, he made use of the power in his hands to have his boiler publicized in the press, radio and television.

After he became Vice-Minister of Petroleum and Chemical Industries, the ministry ran 33 training classes to help popularize the manufacture and use of this type of boiler.

In 1978 the Jilin Provincial Labour Bureau brought together 33 engineers and technicians from China's leading boiler plants and research institutes to make a correct appraisal of the boiler. The result proved that Li's claim that the boiler had a four-ton per-hour evaporation rate was false. The actual figure was only 0.663 ton, while its heat efficiency was 14 per cent lower than the minimum standard required for industrial boilers in China, and its consumption of steel plates was three times higher than the national average. The city of Jilin had installed 66 boilers of this type, but 29 of them were later dismantled and the rest were converted for use in boiling water or cooking rice.

Last year the State Economic

Commission and the State Bureau of Labour decided to take steps to settle the matter, but the Ministry of Chemical Industry disagreed with the correct technical assessment, and when the State Economic Commission later decided to make a new assessment, it again came up against obstructions by some leading cadres of the ministry.

When news about the exposure of this fraud was published in *Renmin Ribao* and *Gongren Ribao*, it immediately won the support of the readers who wrote in their letters that they could no longer tolerate such a person as Li Guocai to continue to be a vice-minister. Many readers have pointed out that exposing this fraud once again shows that the Party's fine tradition of seeking truth from facts is being restored.

ECONOMIC

More Water Conservancy Works

The Chinese Government has invested over 70,000 million yuan in water conservancy

works over the past 30 years. This has enabled the country to initially cope with droughts or excessive rains.

This was reported at a national meeting attended by leading officials of water conservancy departments held in Beijing in late September.

China's acreage under irrigation has increased threefold since liberation in 1949, and accounts for nearly half of the country's farmland. Output of food grain from the irrigated land accounts for two-thirds of the nation's total.

The modernization programme has set new requirements, since water is indispensable not only for ensuring high and stable farm output but also for expanding industrial production. Efforts must therefore be made to build more water conservancy projects.

A recent survey in Beijing shows that water used in industrial production in the city has risen 46-fold in the last 28 years; the amount of water used in Tianjin, Shenyang, Fushun and other major industrial cities averages 80,000 million cubic metres a year.



A medium-sized reservoir built in the Inner Mongolian Autonomous Region for irrigating the grassland.

The meeting called for reinforcing the existing water conservancy works, improving the irrigation of arid pastureland, building more wells in areas with abundant sources of ground water, installing more sprayers in vegetable-growing areas and taking measures to prevent serious soil erosion.

Wan Li, Vice-Premier and Minister in charge of the State Agricultural Commission, affirmed at the meeting the achievements made in the building of water conservancy works since liberation. He stressed the need to sum up the experiences gained and draw lessons from past mistakes. He said that the main problem in this field was subjectivism, wrong guidance and doing things not in accordance with the laws of the natural science or economic science. He urged that a long-term programme be drawn up and a thorough investigation be made into the sources of hydropower and other matters concerned so as to achieve the best economic results with the minimum investment.

New Management System in Commercial Enterprises

Sales and profits have increased by a big margin in Sichuan Province's 99 state commercial enterprises since they introduced a new management system early this year.

Under the new system, these enterprises are responsible for their own profits and losses. Instead of handing over all their profits to the state as was done in the past, they now pay income tax, business tax and a fixed assets tax to the state, after which they retain the rest

of the profits for expanding production and improving the welfare of the workers and staff and for bonuses.

In 88 of these 99 commercial enterprises, there was an 18 per cent increase in retail sales and a 24 per cent increase in profits in the first six months of this year as compared with the same period of last year. Although only part of their profits was turned over to the state, their total tax payment in this period was 16.7 per cent more than in the corresponding period of last year when they had to turn over all the profits.

This new management system has been practised for more than a year now in some factories and mines. It will be extended to more and more commercial enterprises in the future.

This system, which gives the enterprises more power to make their own decisions, has brought about a fundamental reform in the enterprises. Now they can draw up their plans according to

market demand, whereas in the past their sales plan and channels of commodity supply were all controlled by departments at the higher levels, and they could not stock goods according to the demands of the market. Moreover, no matter how they improved their work, they had no power to share part of the profits. And when they incurred losses as a result of bad management or other reasons, the state had to pay for them.

Under the new system, management by administrative means has been replaced by management through economic measures. Now, with greater initiative and flexibility, the enterprises have improved their management and economic accounting and reduced expenditure.

300 Natural Reserves

Plans are being drawn up to set up 300 natural reserves



Making a scientific survey in the Wuyishan Natural Reserve of Fujian Province, southeast China.

with a total area of 9.6 million hectares, or 1 per cent of the country's land area. This was announced at a just-concluded national meeting which was specially convened to discuss this question.

China already has 72 natural reserves covering 1.71 million hectares, or 0.17 per cent of the country's total area. These are small in size, and their distribution is not rational.

To facilitate scientific experiment and the study of natural laws, the meeting mapped out a preliminary plan to ensure better protection of such natural ecosystem as representative forests, grasslands, waters, deserts and damp areas, as well as rare animals and plants, geological formations, glaciers, karst topography, hot springs and fossil sites which are of special importance for protection.

The tropical natural reserve, for instance, in Xishuangbanna of Yunnan Province, southwest China, will be expanded from 57,000 hectares to 200,000 hectares, and more than 30 protection zones will be set up in various forms of grasslands throughout the country.

According to incomplete statistics, China has over 3,700 species of terrestrial vertebrates and more than 30,000 species of higher plants, many of which are rare ones known throughout the world.

At a meeting convened earlier this year by the agricultural department concerned, the planning and scientific survey of the natural protection zones were listed as important parts of

the investigation and division of agricultural zones.

EDUCATION

Spare-Time Education For Workers

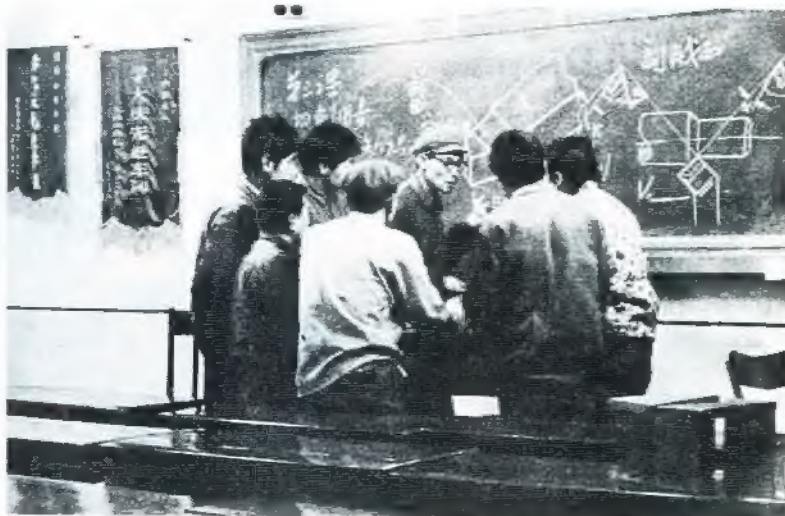
Spare-time education for the workers and staff members, which was suspended during the 10 years of turmoil (1966-76), has been given a new lease of life and is developing vigorously. There are now 30 million workers and staff members studying in various kinds of spare-time schools and training classes run by the factories, enterprises or government institutions throughout China.

About half of the 400,000 industrial and communications units have set up such schools or classes. Some of these are run by one factory or enterprise, some jointly by several factories or enterprises, and some by enterprises in co-opera-

tion with educational departments or institutions of higher learning. A few are run jointly by Chinese and foreign enterprises.

At present, the scale of such education is being expanded steadily and the number of students is increasing each year. For instance, by the first quarter of this year, 52 per cent of the factories and mines in Tianjin have set up such schools with an enrolment equivalent to 23.5 per cent of the total number of workers and staff members. In 13 chemical fertilizer plants in various parts of the country, equipped with complete sets of imported machinery and advanced technology, 45 per cent of the total number of workers and staff members there are taking part in such studies this year.

Spare-time education is conducted in various ways and numerous courses are offered. Among the students are workers, technicians, management personnel and leading cadres, and the courses include general knowledge, science and tech-



After-class discussion in an evening school run by the General Internal Combustion Engines Plant in Beijing.

nology, management, foreign languages and other special items. More than 2,100 young workers in the Shanghai Electrical Machinery Plant have attended in separate groups a three-month training course and 93 per cent of them have mastered the knowledge equivalent to the level of a grade-4 worker.

FOREIGN RELATIONS

U.S. Violates Principles for Establishment of Diplomatic Relations With China

An agreement which actually gives all diplomatic privileges to Taiwan representatives in the United States was signed on October 2 in Washington. This was an undisguised violation of the principles for the establishment of diplomatic relations between China and the United States.

The agreement was signed by the "American Institute in Taiwan" (A.I.T.) and the "Taiwan Co-ordination Council for North American Affairs" (C.C.N.A.A.).

When they were asked by Xinhua correspondent about the agreement, responsible officials of the State Department said on October 3 that the U.S. Government was "quite aware of what the agreement is" and that it had made "no objection to it."

The "American Institute in Taiwan" and the "Taiwan Co-ordination Council for North American Affairs" are unofficial organizations based on

non-governmental relations for dealing with trade and commerce and other civilian affairs. They were set up after the establishment of diplomatic relations between the United States and the People's Republic of China. With the signing of the above-mentioned agreement, however, the unofficial representatives of the United States in Taiwan and those of Taiwan in the United States have in fact become official diplomats except in name.

Commenting on the agreement, an American observer in Washington said: "In theory, the United States and Taiwan have only non-governmental links, but in practice, virtually all the trappings of full-blown diplomatic relationship are now in existence."

This act on the part of the United States is an open violation of the agreement between the U.S. and China and the joint communique on the establishment of diplomatic relations between the two countries. It is a common knowledge that, as civilian organizations, both A.I.T. and C.C.N.A.A. have no right to offer each other the privileges similar to those accorded diplomats. Why could they enjoy these privileges?

Answering this question by Xinhua, the State Department officials clung to the so-called U.S. "Taiwan relations act" and using it as a pretext for government support of the agreement. But the "Taiwan relations act" itself runs counter to the joint communique on the establishment of diplomatic relations between the United States and China. Moreover, it is a domestic act of the United States and can in no way serve as a

legal basis for handling U.S.-Chinese relations.

It can be recalled that after the normalization of Sino-U.S. diplomatic relations, the U.S. Government has repeatedly stated that the relations between the United States and Taiwan are "unofficial, non-governmental." Now the U.S. Government publicly goes back on its own words. This is indeed surprising.

What the United States has done will hurt the feelings of the Chinese people and give rise to widespread concern and indignation in China.

Protest Against Intrusion by Soviet Armed Personnel

The Ministry of Foreign Affairs on October 6 lodged a strong protest with the Soviet authorities against the intrusion by Soviet armed personnel into China's Inner Mongolian Autonomous Region, which caused another incident of bloodshed.

The note of protest said: "Around 8 a.m. on October 5, 1980, four Soviet armed personnel crossed the Sino-Soviet boundary River Ergune in a motorboat and intruded into Jilalin pasture, Ergune Youqi, Inner Mongolian Autonomous Region. They tried to kidnap Chinese herdsman Li Zhong working there. Li Zhong vigorously resisted their attempt and they shot him dead. Hearing the shots, some Chinese frontier guards hurried to the scene. Then the Soviet armed personnel fired at the Chinese frontier guards, who fired back in self-defence and killed a Soviet culprit inside Chinese territory. Throwing away their things, the other three intruders got on

the motorboat and fled to Soviet territory in panic."

The note added: "The Chinese side demands that the Soviet authorities punish the culprits of this incident and stop all armed provocations along the Sino-Soviet border. It must be pointed out that the Soviet side is doomed to failure in its attempt to profit from creating border tension and that it must bear full responsibility for all the consequences arising therefrom."

Delegation of Venezuelan Christian Socialist Party

The delegation of the Venezuelan Christian Socialist Party led by General Secretary Eduardo Fernandez recently paid a visit to China. This was a big event in the relations between China and Venezuela, and is of importance to the development of relations between the two parties and governments.

During the delegation's stay in Beijing from September 28 to October 3, Chairman Hua Guofeng and General Secretary Hu Yaobang met with its members. During his meeting with General Secretary Fernandez on October 2, Chairman Hua said: "There are no conflicts in the basic interests of China and Venezuela. Both are working to defend world peace and oppose hegemonism and both hope for a peaceful international environment in which to build up their own countries. There are therefore bright prospects for developing the relations between our two parties and countries. We should help and learn from each other."

Vice-Chairman Li Xiannian met with and gave a banquet in honour of General Secretary Fernandez on September 30. During their talks, they ex-

changed views on the current world situation, including the situation in Central America and the Caribbean region. Both expressed concern over the present tense international situation.

Check Hegemonism. At the banquet in honour of the Venezuelan delegation, Vice-Chairman Li praised Venezuela for its efforts in recovering its national resources from foreign control, its policies in developing its national economy and its just positions of opposing imperialism, colonialism and hegemonism, condemning the foreign occupation of Afghanistan and Kampuchea and demanding that foreign troops be withdrawn from these two countries. "Only when the people of the world unite to check hegemonist aggression and expansion can effective ways be found to defend world peace," he declared.

In his speech, General Secretary Fernandez said: "We are opposed to any hegemonist attempt to encroach upon our sovereignty and we stand for a new international economic order on the basis of social justice and not on the basis of the rich exploiting the poor." Citing the factors which have given rise to turbulence in the world, he urged the governments and people who resolutely oppose war and stand for peace to make concerted efforts to safeguard stability in the world.

Spanish Communist Leader On Relations With C.P.C.

"We are preparing for our coming visit to China with great earnestness and enthusiasm," said Santiago Carillo, General

Secretary of the Spanish Communist Party, when he met on September 29 with Wang Ruoshui, deputy editor-in-chief of *Renmin Ribao*, who attended the celebrations of the 60th anniversary of the Spanish Communist Party.

General Secretary Carillo said that the visit will be in the interest of the two Parties. He added that members of the Spanish Communist Party regard with satisfaction the normalization of relations with the Chinese Communist Party which, he stated, is a great Party and the Chinese revolution a great revolution. People are following with attention the experience of China, he added.

Recalling bilateral relations, he pointed out that they had been on good terms in the past. Only for certain reasons had there been a period of rupture. "It is gratifying that the two Parties are correcting their mistakes," he said. "We should end the period of misunderstanding and carry forward the good relations between us."

News in Brief

Sino-Belgian Coal Company

Recently the China National Metals and Minerals Import and Export Corporation (Minmetal) and the Belgian Gustave Maes S.A. signed an agreement in Gent on the establishment of the Chibel Coal Trading Company Ltd. Each side will hold 50 per cent of the shares of the company. It is the first joint venture formed by China Minmetal Co. with a company of a West European country. The company will be exclusively responsible for the sale of Chinese coal to Belgium.

United Nations

Aggressors Told to Pull Back

AT the 35th U.N. General Assembly debate which began on September 22, most delegates demanded the withdrawal of Soviet troops from Afghanistan and Vietnamese forces from Kampuchea. But Moscow and Hanoi refused to listen to good advice.

S. Dhanabalan, Foreign Minister of Singapore, warned that if the world acquiesced to, compromised with or condoned the aggression of the Soviet Union and Viet Nam, "we in the third world will have to pay the price, as the next victim will come from our ranks." Japanese Foreign Minister Masayoshi Ito said that the Soviet military intervention in Afghanistan not only violated the main principles of non-intervention and non-use of force, but also seriously jeopardized international peace and security. Representatives of Yugoslavia, Britain, Italy and West Germany all pointed out that any political solution to the Afghan and Kampuchean questions should be preconditioned by the withdrawal of foreign troops.

Gromyko's "New Topic." Soviet Foreign Minister Gromyko saw things differently. According to him, the root cause of the aggravation of the world situation did not lie in the Soviet armed invasion of Afghanistan, but with the NATO bloc, which is "seeking to change in that bloc's favour the strategic balance of forces in the world." But he said nothing about who has upset the balance of forces in Afghanistan and Kampuchea. In the Soviet draft resolution

"Certain Urgent Measures for Reducing the War Dangers," Gromyko steered clear of the substantive issue of where the danger came from. He tried to divert people's attention with the shopworn Soviet proposals such as, "not enlarging the military-political blocs" and "not increasing conventional troops and weapons."

However, it is clear to all that Afghanistan and Kampuchea are the two "hot spots" exacerbating the world situation and only when those who created these two "hot spots" pull out their troops can the balance of forces be restored and the danger of war reduced. This was what many delegates pointed out at the general debate.

Hanoi's Preconditions. Thirteen nations, including the five ASEAN nations, put forward a proposal on the Kampuchean problem calling for the withdrawal of all foreign troops from Kampuchea and an international conference to discuss ways and means of guaranteeing respect for Kampuchea's sovereignty, independence and territorial integrity. Vietnamese Foreign Minister Nguyen Co Thach on September 25, however, turned it down. He had the impudence to declare that the Vietnamese occupation of Kampuchea was the "internal affair" of Viet Nam, and claimed that the 13-nation proposal "proved that they had not renounced their designs to intervene in the internal affairs of Kampuchea and two other Indochinese countries."

Hanoi, following the Soviet model, declared it would pull some of its troops out of Kampuchea, as the Soviet Union had announced it would do in Afghanistan. Nguyen Co Thach declared that there would be a partial Vietnamese troop withdrawal on two conditions: Vietnamese forces will leave Kampuchea only when "the Chinese threats to Kampuchea and Viet Nam" no longer exist; and after the Vietnamese Government had "discussed the matter" with the Phnom Penh puppet regime and if the latter requests such a withdrawal. Isn't this like the ventriloquist asking his dummy? Moreover, the myth of "Chinese threats" was invented by Hanoi in the first place as a pretext for occupying Kampuchea. Now it is being used by Viet Nam to stay on in Kampuchea.

The Vietnamese Foreign Minister also said in his speech: "Kampuchea and Thailand should hold negotiations with the help of the U.N. Secretary-General to settle the tense situation along the Kampuchean-Thai border." Obviously, this is trying to kill two birds with one stone: divert world attention from Viet Nam's occupation of Kampuchea to the tense situation in the Thai-Kampuchean border areas; and induce the United Nations to intervene and inveigle Thailand into entering talks with the Heng Samrin regime set up by Viet Nam. If his stratagem succeeds, then the United Nations and countries concerned would, in fact, be conferring recognition to the Heng Samrin regime and acknowledging Viet Nam's occupation of Kampuchea.

At the current U.N. General Assembly session Moscow and Hanoi are fighting a losing battle. They cannot fool the world. They would do much

better to get rid of their Afghan and Kampuchean albatrosses.

— "Beijing Review" news analyst An Ding

Parliamentary Parley

THE 67th annual conference of the Inter-Parliamentary Union (I.P.U.), attended by 1,000 deputies from 87 national parliaments, closed on September 24 in East Berlin, capital of East Germany, after nine days' meeting on world political, economic and social issues.

Soviet Invasion Censured. At the final general session, the conference adopted resolutions condemning Iran's detention of American hostages and South African white racism and calling on Bolivia and some other countries to restore democracy and human rights. Noteworthy was the general resolution on detente adopted by a sweeping majority, which censured the Soviet invasion of Afghanistan and demanded the immediate withdrawal of Soviet troops so as to let the Afghan people settle their own problems. This has been the most vehement condemnation of the Soviet Union by an international body since the U.N. General Assembly and the Islamic Foreign Ministers' Conference this year.

The I.P.U. has 90 member states and was set up in 1889 by members of parliaments of Britain, France and some other countries. Its aims are to promote personal contacts between members of parliaments and unite them in common action with a view to strengthening and developing democratic institutions, as well as to advance work on behalf of peace and international collaboration. But as the postwar period, especial-

ly in recent years, has been one of instability and expansion and aggression by the big powers, the I.P.U. has been turned into a forum to discuss the struggle going on in the world. In earlier conferences, the Soviet Union had deceived many with its loud calls for "detente," "peace" and "disarmament," and had won some measure of support. But at the recent September conference, the Soviet Union drew fire from a growing number of delegates in the course of debates and discussions preceding the resolutions. They were telling the Soviet Union that they did not like its armed aggression and expansion and interference into other countries' internal affairs.

The topics agreed upon at the April meeting of the I.P.U. conference to discuss at the Berlin annual conference was detente and disarmament, the Middle East and Palestinian questions, the legal and humanitarian aspects of the refugee problem, decolonization and north-south relations. But as soon as the meeting began, the question of Soviet aggression against Afghanistan was raised by many delegates, which led to heated debates. Prior to the meeting, the I.P.U. council had prepared a draft general resolution with a clause strongly condemning the Soviet invasion of Afghanistan and de-

manding the immediate withdrawal of Soviet troops. The Soviet delegate saw what his country was in for and mustered Warsaw Pact delegates as well as the delegates from Viet Nam and Mongolia to submit an amendment condemning "armed attacks and intervention against Afghanistan from the territory of Pakistan," in an attempt to counter this. The Romanian delegation put forward a revised proposal, stressing "total prohibition of the use of armed forces in solving differences among countries." So there were two amendments to the draft general resolution.

The general resolution was finally approved by a vote of 765 for and 141 against after heated debates. Although the majority of the delegations differed over many questions and embraced various political parties and factions, they were unanimous in condemning the Russian invasion of Afghanistan.

The General Feeling. At the recent conference, Moscow's delegate again talked long and



The art and craft of Soviet diplomacy.

Cartoon by Lan Jianan

loud about "detente" to divert attention away from the Afghan issue. When he spoke about the Soviet desire for detente and an early conclusion to talks restricting nuclear weapons in Europe, he was rebutted by many delegates, including a British Labour Member of Parliament, who said that the Soviet delegate's statement made one wonder whether one lived in this world of reality or not.

Among many other major international issues discussed was the refugee question. The West German delegate called

for proclaiming an "International Refugee Year" to make the world aware of the problems of the rising number of refugees and their settlement.

The West German delegate also censured the south Korean authorities for its death sentence passed on the south Korean democrat, Kim Dae Jung.

Though the I.P.U. resolutions have no binding force on any country, they do show how people in the world feel about certain issues and also the Soviet Union's unpopularity.

— Zhang Qihua

question began in early 1956 and in November that year, the Chinese Government put forward its principled proposals for solving the border issue. The following month, Premier Zhou again visited Burma and the views of both sides were further defined through consultations. Before the year was out, the two countries had withdrawn troops from the border and this created the prerequisite conditions for settling the boundary question.

In January 1960, the Burmese Prime Minister visited China again, and on January 28, thanks to the common efforts made by the leaders of the two countries, the Sino-Burmese Treaty of Friendship and Mutual Non-Aggression and the Agreement on the Question of the Boundary Between the Two Countries were signed in Beijing. In September that year, a 300-member delegation headed by the Burmese Prime Minister visited China. This visit created a favourable atmosphere for the signing of the Sino-Burmese Boundary Treaty.

In the spirit of the Five Principles of Peaceful Coexistence, cherishing the traditional friendship of the peoples of the two countries and safeguarding peace in Asia, the Sino-Burmese boundary question was finally solved satisfactorily. Both sides acknowledged that the Sino-Burmese boundary question was a complicated one left over by history and so the two countries should take into account the historical background and current actual conditions, adopt an attitude of mutual understanding and mutual accommodation and secure an overall settlement through friendly consultations. On October 1, 1960, on the 11th

Sino-Burmese Boundary Treaty 20th Anniversary

TWENTY years ago on October 1, the Sino-Burmese Boundary Treaty was signed, the first border treaty New China signed with a neighbouring country.

A *paukphaw* (kinsman-like) friendship developed between the Chinese and Burmese peoples over some 2,000 years of frequent and friendly contacts. After the People's Republic was established in China and Burma gained its independence, amity between the two peoples on the basis of this new foundation developed smoothly and rapidly. China and Burma are co-sponsors of the Five Principles of Peaceful Coexistence and these principles helped to make possible the speedy settlement of the complicated boundary question left over by history.

The boundary question between the two countries had been made more complicated by

the aggressive policies carried out by imperialism over the years. But after China and Burma freed themselves from imperialist oppression, the two governments set about settling the boundary question in order to consolidate and develop the existing friendly relations.

In June 1954, Premier Zhou Enlai made his first visit to Burma and the two governments decided that both sides would maintain close contacts and begin to tackle the boundary question in the spirit of friendly relationship and mutual understanding. In December of the same year, the Burmese Prime Minister visited China and the two Prime Ministers of Burma and China agreed to settle the boundary question at an appropriate time through normal diplomatic means. Frequent contacts and negotiations on the boundary

anniversary of the People's Republic of China, the Sino-Burmese Boundary Treaty was formally signed in Beijing. The century-old boundary question was settled peacefully and to the satisfaction of both countries and the 2,100-km.-long boundary became a border of permanent peace and friendship between China and Burma.

The peaceful settlement of the

boundary question between China and Burma set a good example to the world in settling boundary disputes by peaceful means. After signing the treaty with Burma, China signed other treaties marking the successful and satisfactory settlement to boundary questions with Nepal, Mongolia, Pakistan and Afghanistan.

— Wang Jienan

European Security Talks Deadlocked

THE preparatory meetings of the follow-up conference on European security and co-operation held in Madrid on September 9 are in their fourth week and no progress has been made regarding the agenda for the formal conference on November 11. This was because the Soviet Union tried to prevent the conference from condemning it for its intrusion into Afghanistan and repression of dissidents at home.

The decision to hold meetings in Madrid had been made at the 1977-78 follow-up conference on European security and co-operation in Belgrade. But when the Soviet Union invaded Afghanistan at the end of last year, some Western countries asked the Madrid meetings be postponed so as to punish Moscow. Preparations for the preparatory meetings were resumed after a four-month hiatus when the United States and some other Western countries decided that as the Soviet aggression was a gross violation of the Helsinki final act, the Soviet Union should be taken to task at the Madrid meetings. **The Focus of the Disputes.** As soon as the preparatory meet-

ings started, the two sides clashed over the agenda for the November formal conference. The West insisted on discussing and arranging procedures for the formal conference on the basis of the yellow book adopted at the follow-up conference on European security and co-operation held in Belgrade in 1977. According to the spirit of this book, each conference should review the implementation of the Helsinki final act during the political debates. Therefore, there was nothing to hinder the meetings from discussing the Soviet invasion of Afghanistan and the human rights issue.

The Soviet Union was afraid of being forced into the role of being the accused at the Madrid meetings, so long before the actual meetings started, it declared that the question of Afghanistan had nothing to do with detente in Europe and called for a "constructive spirit" in the forthcoming meetings. It accused countries asking the invasion of Afghanistan be included into the agenda as wanting to "poison the international atmosphere," "destroy the meetings" and turning them into "bullring."

To avert censure, the Soviet Union tried to obstruct discussions on the basis of the yellow book. Western sources revealed that the Soviet representative had wanted political debates at the formal conference limited to three weeks and the conference to discuss new co-operative proposals immediately after so as to let the Soviets hustle their so-called "co-operation" and "disarmament" proposals.

The meetings made no headway right from the start, as the Soviet Union stonewalled all the proposals put forward by the West. In the second week, the delegation of the host country, Spain, issued an oral proposal to break the deadlock: set aside half the time of the formal conference for substantive political debate. The West backed the proposal. The Hungarian delegation then handed in a copy of a proposal in Russian on the agenda. It asked the time for political debates to be kept as short as possible. The Soviet side saw that it would help get it off the hook, so its representative immediately said the proposal was "positive." Thereupon, a heated debate was fought over the two proposals.

On September 23, the Czech representative put forward another proposal, also in Russian, to replace the yellow book. It wanted to limit the formal debate to a week and it made no mention of the continuity of the conference on European security. The U.S. representative said it was unacceptable.

Yugoslav Proposal. After a week's debate, the Yugoslav representative's proposal was adopted on the morning of September 22. It said: The con-

ference on European security is to be held at a government level, meaning the conferees may be foreign ministers; and that the conference is to be continued. This was about the only result achieved at the meetings.

In a word, since the preparatory meetings were opened on September 9, nothing, except

on what level the representatives were to be, has been achieved. Diplomatic sources in Madrid think that if the Soviet and other representatives press for the Czech proposal, then the preparatory meetings will be stalemated. However, both sides apparently want a conference and are not willing to call it off.

—Ren Yan

Growing Grain Shortage

GRAIN is the staple food of 90 per cent of the world's population and makes up one-eighth the volume of world trade. It is the basis of the modern mixed-feed industry and also has grown into a major diplomatic lever. Together with energy, population and environment, grain is now a major world worry.

Growing Demands. Grain today is in short supply everywhere. For years production limped far behind the upward population spiral and rising consumption. World grain output in 1979 was 80 million tons less than the 1,460 million tons in 1978. The biggest fall in production occurred in the Soviet Union and India.

In sharp contrast to the sluggish climb in grain output, the world population is growing at a dismaying speed. The 1,000 million in 1850 went up to 4,000 million in 1975. There will be an estimated 4,400 million human beings this year. The Food and Agriculture Organization points out that grain output must increase annually at a rate of 3.7 per cent if the increases in the population and higher incomes

from 1962 to 1985 are to be met. This rate, however, has not been achieved.

The steep increase in grain needs for manufacturing stock feed, too, has cut deeply into the world supply. In the early 1960s, 280 million tons of grain were used, but by 1977 it had risen to 465 million tons.

These two factors present a bleak outlook in grain supply. One research institute estimates that some countries containing two-thirds of the total population of the developing countries were 12 million tons of grain short in 1975 and this shortage will be 85 million tons by 1990. A spokesman for the World Food Council warned that a food crisis was imminent unless every country starts taking measures now.

Food Prices Up and Stocks Down. Reduced grain output and increased consumption have led to dwindling stocks and higher food prices. World major grain exporters like the United States, Canada, France, Australia and Argentina say their grain stocks have been much reduced in the last ten years. In the early 1970s, the United States, Canada, Australia,

Argentina and the E.E.C. held in stock 67.8 million tons of wheat and 52.8 million tons of other grains. But by the mid-70s their wheat reserve was down to 32 million tons and other grains, 21.5 million tons. Total world grain reserves have been falling over the last four years. Grain authorities say a fundamental change has taken place in the world; major grain exporters with "surplus reserves" now have less and less in reserve.

With less reserves, food prices have gone up. In the United States, for instance, food prices rose 140 per cent between 1972-75. In Chicago, a bushel of wheat was 2.13 dollars in August 1977, 3 dollars in April 1978, 4 dollars in June 1979 and 4.2 dollars two months later. By all accounts, prices on the international grain market will continue to rise.

Greater Self-Sufficiency. With the supply of grain growing shorter and with the prices rising in a straight line, most countries are adopting policies to improve their degree of self-sufficiency and are building up their reserves. Britain is now 64 per cent self-sufficient as against 52 per cent several years ago and West Germany now grows about 80 per cent of its own needs.

Japan grows relatively less, only 30 per cent of its food. In 1976, it produced only 4 per cent of the wheat and 3 per cent of the soybeans it needed. To lessen the country's heavy reliance on the United States for food, the Japanese Government has decided to be 75 per cent self-sufficient in food by 1985.

The third world countries, too, are devoting more efforts to developing their agricultural sector to attain a greater degree of self-sufficiency and cutting down imports. Many are enlarging the area under cultivation, making greater efforts to popularize good strains, build water conservation projects, provide loans and subsidies

for food production, and raise per-unit grain yields. Developing countries are also paying attention to building up some grain reserves to be "food safe." The general policy with most countries is to strive for a minimum reserve of grain as a safeguard.

—Ding Shengjun

Fighting Resumes in Western Sahara

AFTER a lull of several months, fighting between Morocco and the Popular Front for the Liberation of Western Sahara (Polisario Front) over Western Sahara has flared up again. Since early August, Polisario guerrillas have stepped up attacks on Moroccan troops. Communiques issued by both sides claim heavy casualties and material losses inflicted on the other side.

According to a communique issued by the Polisario Front, the guerrillas made 36 assaults in August, killing a total of 600 Moroccan troops and wounding 400 others.

On September 3, guerrillas in 400 military vehicles raided the city of Tata, 150 kilometres south of Agadir in southern Morocco, in their biggest and most penetrating attack in five months. The Moroccans declared that during the battle over 300 guerrillas were killed or wounded and 70 military vehicles destroyed. The Polisario Front claimed that its guerrillas had "besieged and occupied" Tata for several hours, killing 212 Moroccan soldiers, capturing 70 military vehicles

and downing one F-1 Mirage fighter.

The Polisario Front has established bases in southern Morocco and concentrated on mounting raids against Zag and its surrounding areas. Fierce fighting has been reported. Zag, an important Moroccan army base, is 150 km. from the Algerian border and 80 km. from the edge of the Western Sahara. The area of several hundred square kilometres is formed of chains of rugged mountains and noted for its difficult terrain. If the Polisario Front gains control of the area, it can cut the link between Morocco and Western Sahara. Since November last year, Morocco has sent well-equipped mobile forces of 10,000 strong (the Polisario Front estimated the number at 20,000) in three mopping-up operations in Western Sahara and southern Morocco. In early March this year, in order to destroy the front's bases inside Morocco, the Moroccans threw in 7,000 mobile troops to mop up guerrillas in Zag, Tisert River valley and Ouarkziz Mountain, where the fiercest fighting since the start of the

Western Sahara war took place. The Polisario Front declared that it inflicted some 2,000 casualties on the Moroccans in the ten-day fighting. Sporadic fighting occurred until early May when a Moroccan mobile force of 10,000 again launched large-scale mopping-up operations in the region. They opened a 30-km. passage between Zag and Assa and were joined by the isolated garrison in Zag. The Moroccans claimed that they wiped out 450 guerrillas and destroyed 160 military vehicles in the campaign.



Battlefield reports showed that the Moroccan troops with air support have strengthened operations, while the guerrillas are responding with surprise attacks by small teams. Obviously the guerrillas cannot hope to win outright victory on the battlefield. It is also equally difficult for the Moroccans to inflict insupportable casualties on the Polisario Front forces. It seems the Western Sahara war will be a long war of attrition, which both Morocco and the Polisario Front and its supporters will have to pay for heavily. It is only to be hoped that all parties concerned will seek a just solution to the conflict through peaceful consultations.

— Fang Yuan

Economic Theory

On the Basic Economic Law Of Socialism



Upon entering the 1980s, people engaged in economic work or research in economic theory in China are making inquiries into the basic economic law of socialism. They are summing up the lessons and experiences gained in the last 30 years of economic construction and attempting to explain what has happened in theoretical terms. The aim is to help provide the guiding ideology for the country's modernization programme in the next 20 years. Recently the country's newspapers have published many articles on the subject. The following article gives the gist of a report by Wu Jiang, who works in the field of economic theory. — Ed.

Study of the Basic Economic Law of Socialism Is Necessary

MARX, Engels and Lenin have made many expositions on the basic economic law of socialism. Beginning from the 1920s, a long debate on this question occurred in Soviet theoretical circles. Most economists denied that there was a basic economic law in socialist society. They contended that with the wiping out of capitalism, economic laws would cease to operate and planning by the socialist state would replace economic laws completely.

Stalin personally took part in the debate in the Soviet economic circles at the beginning of the 1950s and wrote *Economic Problems of Socialism in the U.S.S.R.* He held that economic laws were an objective reality and that this was also the case in socialist society. His formulation of the basic economic law of socialism was: "The securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society through continuous expansion and perfection of socialist production on the basis of higher techniques."

After Stalin died, Khrushchev totally negated his thesis. With regard to Stalin's formulation of the basic economic law of socialism, some Soviet economists criticized him for

giving first place not to production, but to consumption. However, since the 1960s, more and more people have disapproved of this point of view and reaffirmed Stalin's exposition as correct.

The Chinese people and Chinese Communist Party attached great importance to Stalin's exposition which played an important guiding role in our First and Second Five-Year Plans. The basic economic law as defined by him was written into the General Programme of the Constitution of the Communist Party of China adopted at the Party's Eighth National Congress in 1956. The provision reads: "The basic object of all Party work is to satisfy the material and cultural needs of the people to the maximum possible extent. Therefore, it is necessary that the living conditions of the people should improve steadily on the basis of increased production. This is also a requisite for stimulating the people's enthusiasm for production."

But this correct exposition disappeared from later Party constitutions. Our ignorance of the basic economic law of socialism or the incorrect understanding of it has led to many mistakes and twists and turns in our economic work. In order to do better in the next 20 years, we must sum up our experiences in the last 30 years of economic construction and try to theoretically analyse them. For example, why did we not pay attention to the consumers' needs when we drew up economic plans? Why has the ratio between accumulation and consumption been out of proportion for so long? Why have so many problems piled up in respect to people's lives? Why has the capital construction front become more and more overextended? Why are arrangements of the national economy made in the order of "heavy industry, light industry and agriculture" while we have been talking about "agriculture, light industry and heavy industry" for more than 20 years? Generally speaking, China's national economy has devel-

oped at a fairly rapid rate. Then why have we failed to keep the supply of consumer goods geared to the gradual satisfaction of the people's needs?

Obviously, the problem here is not a simple one concerning economic planning only, neither is it one involving solely the method of leadership or the management system. It is a problem involving the fundamental nature and purpose of socialist production. In the final analysis, the problem is whether we act in accordance with the basic economic law of socialism.

The Purpose of Social Production

Different social systems, mainly different forms of ownership of the means of production, determine different purposes of social production. In capitalist society, where the means of production are in the hands of capitalists, workers are nothing but sellers of their labour power. The sole purpose of capitalist production is to produce profit and to serve the material interests of capitalists. All activities of the capitalists centre around a desire to seek surplus value and profit. The aim determines what to produce and what not to produce. This inevitably leads to an antagonistic contradiction between increased production and relatively diminished consumption. This contradiction, in turn, becomes one of the direct reasons for cyclical economic crises. Even today, when the capitalist world has acquired a comparatively high level of consumption, it still cannot escape the grip of the contradiction between expanded production and relatively limited consumption.

The socialist system is entirely different. It replaces private ownership of the means of production with public ownership and abolishes the exploitation of man by man. The aim of social production in socialist society is to satisfy the material and cultural requirements of all members of the society. All economic activities under socialism are determined by the needs of the society and the people. It is the needs that decide what to produce and what not to produce. However, a new contradiction springs up—the contradiction between the daily increasing needs of the people and the existing productive capacity. The content of the basic economic law of socialism is reflected mainly in this contradiction, a great dynamic force for pushing production forward. On the basis of developed production, the ever-increasing material and cultural requirements of the people are satisfied step by step, and in turn, these requirements promote the development of production. This

is a fundamental tendency of the whole process of economic development in socialist society and it shows the superiority of the socialist system.

About "Requirements"

What is meant by "requirements" when we refer to "securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society"? Does it include all requirements of consumption? Productive consumption and consumption of necessities in daily life are both indispensable under socialism. In the final analysis, productive consumption is also for the satisfaction of the people's consumer needs. "Requirements" here refers to benefits for the people in their daily lives, including their material and cultural requirements. In a broad sense, they include (1) personal needs (daily needs of the individual and family), (2) social and public needs (culture, education, sanitation, medical care, recreation, collective welfare facilities owned by enterprises, social relief and service trades), (3) cost of state administration and (4) expenditure on national defence. It should be said that the aim of production is to satisfy the first two requirements, and that the last two serve the first two by creating and securing a tranquil, peaceful and orderly environment for working and living. However, there are still contradictions on how to divide among the four the total social consumption fund when it has been decided on. If expenditures on the last two are too big, this is bound to interfere directly with development of the economy and improvement of the people's livelihood.

The only way to secure the maximum satisfaction of the constantly rising material and cultural requirements of the people is to continuously expand and perfect social production. We can gradually improve the people's livelihood only on the basis of expanded production; the demands cannot be too high or over-impatient. But consideration must be given to both development of production and improvement of the people's livelihood. Under special conditions, it is necessary to set some limitations on daily needs in the people's livelihood in order to fulfil some important and urgent production tasks. But under ordinary circumstances, production and living arrangements should be proportionate and co-ordinated. While putting forward quotas for the expansion of production, China's First Five-Year Plan (1953-57) stipulated that the average wage of every worker should increase 33 per cent within five years. (The



Shijiazhuang Rug Factory's products have been increasing steadily.

actual increase was 33.5 per cent.) The income of the peasants should increase at the same rate. The Second Five-Year Plan also made almost the same stipulation. If the plan had not been interrupted, the quotas could have been fulfilled, thereby providing a successful experience.

The Ratio Between Consumption and Accumulation

In drawing up plans for the national economy, proper arrangements for both production and livelihood demand a careful and skilful handling of the relationship between accumulation and consumption; this means dividing the national income into two parts which form a rational proportion to each other: one to be used for expanding production and the other for satisfying the requirements of the individual members of society and of society as a whole. This is a decisive factor in ensuring that the national economy develops steadily and social reproduction proceeds smoothly. Whether our economic work follows the basic economic law of socialism, whether it deviates from the aim of socialist production, depends to a great extent on how well we handle the proportional relationship between accumulation and consumption.

Since the founding of the People's Republic, China's national economy has undergone two major readjustments, one carried out in the period of 1962-65, and the other begun in 1979. In each case readjustment of the proportion between accumulation and consumption was made the central task.

Socialism can avoid the kind of waste which occurs under capitalism and use the materialized and living labour it saves to expand reproduction. It can achieve a higher accumulation rate in a planned way. This is one of the distinctive features and strong points of socialist economy. At the same time, however, it is also the area where mistakes are committed most easily. As people subjectively want to develop production quickly, they always want to accumulate as much as possible. Moreover, the centralization and planning in the socialist economic system also easily lead to increasing the share of accumulation in the national income. But, as early as in the 1950s, some far-sighted economic workers in China warned that we should be extremely careful about increasing the ratio of accumulation.

What ratio between accumulation and consumption can be considered co-ordinated? This has become a question of primary importance in our economic work at present. Historical facts in the 26 years between 1953 and 1978 are: In 13 out of the 26 years, our accumulation rate exceeded 30 per cent, the highest reaching 43.8 per cent (1959). In only three years it went below 20 per cent. The facts show that when the accumulation rate exceeded 30 per cent or went above 35 per cent, the growth rates of the national income and the state revenue came down, labour productivity was low and the improvement of the people's livelihood was affected. On the contrary, when the accumulation rate was kept at 25 per cent or below, the increase in the national income and the state revenue was fairly fast and labour productivity also went up quickly and the people's living standards improved considerably.

Our experience in the last 30 years tells us that we must maintain a fairly high rate of accumulation if we want to develop the national economy rather quickly from a poor and backward base. But we have a large population, our country has a poor foundation to start with, and the people's living standards are low. So under ordinary circumstances, the accumulation rate should take up only 25 per cent of the national income and the ceiling of 30 per cent should never be exceeded lightly. The ratio of

25 per cent conforms to our experience in the last 30 years, both positive and negative, and data from various periods as well as various factors in the national economy which restrict accumulation. These factors are: (1) The growth rate of the utilizable amount of the national income (the income minus aid to foreign countries and including foreign credits). The accumulation fund cannot increase faster than this amount. By exceeding the limit, the fund obviously squeezed away part of the necessary consumption fund in China in the 26 years from 1953 to 1978 when the accumulation increased 8.5 per cent each year as against an average annual increase of 6.3 per cent in the utilizable amount of the national income. (2) Our ability to supply the required means of production. (3) Consideration for the immediate needs of the people. This is the most fundamental restriction. Under ordinary circumstances, the level of consumption cannot rise faster than production and labour productivity. They cannot even grow equally.

Nevertheless, production is for consumption. Since the financial and material strength of our state is limited, it is necessary to proceed from the immediate needs of the people and take into account the factor of population growth when we decide on the ratio between accumulation and consumption. That is to say, we must first of all fix the yearly growth rate of the basic means of subsistence, making a proper arrangement for the people's clothing, food, shelter, transportation and other necessities. Then we must calculate the commensurate growth rate of agriculture and light industry, the growth rate of heavy industry mainly serving agriculture and light industry and the proportionate relationship among different branches within heavy industry. To create the preconditions for production, it is necessary to make, first of all, a proper arrangement for fuel and power industries, transport and communications and maintain an overall balance among them.

Some people hold that so long as the level of the people's consumption does not fall, the rate of accumulation can go up continuously. Practice has proved that this is wrong. In the past, when the economic situation took a turn for the better, we wanted to go all out and forge ahead quickly. We violated the principles that the scale of national construction must be kept in line with the financial and material strength of the state and that "production must precede capital construction." In the three-year readjustment of 1962-65 (in which period

the accumulation rate was reduced to an average of 22.7 per cent), the economic situation began to improve. But in 1966, the first year of the Third Five-Year Plan, it was raised abruptly above 30 per cent without any scientific calculations. In the three years from 1967 to 1969, when the country was in great disorder, factories stopped production. The accumulation rate was forced to drop below 23 per cent. But it was raised again to 32.9 per cent in 1970 and for several years running it was kept above 30 per cent. This only resulted in aggravating the contradictions between accumulation and consumption. Investment in a large number of capital construction projects had an adverse effect not only on the people's livelihood, but also on production. What is more, investment in capital construction yielded poorer and poorer results. Investigations show that, in general, it has taken ten years on the average for the large and medium-sized capital construction projects undertaken in recent years to go into production, twice as long as the period required during the First Five-Year Plan.

Phenomenon of "Producing for Production's Sake"

In analysing how surplus value is converted into capital, Marx said in *Capital* (chapter 24, volume I) that since the capitalist is "fanatically bent on making value expand itself, he ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society, and creates those material conditions." In capitalist society, production is for production's sake. There, expanded production is not accompanied by a corresponding expansion of consumption, because this is the only way to suit the historical mission of capitalism and to its special social structure.

Does the phenomenon of "producing for production's sake" exist under the socialist system? As far as the nature of the socialist economy and the economic system of socialist society are concerned, "producing for production's sake" like that under the capitalist system does not exist, for the ultimate purpose of socialist production is not to make profit but to satisfy the people's demands. Expanding production in socialist countries will not run into contradictions between production and consumption as in capitalist countries, nor will there be crises of overproduction.

However, under certain circumstances when big mistakes are made or when the basic objective economic law is violated so that expanded production does not bring about a corresponding increase in consumption, or even causes consumption to decrease to a certain degree, some sort of crisis, or the tendency which some people call "producing for production's sake," may appear in socialist production.

In actual life, this tendency is mainly reflected in the various links in the distribution of the national income and in the use of the accumulation fund as well as in the consequences arising therefrom.

Firstly, since 1958, the rate of the accumulation of the national income has often been too high and seriously out of balance with consumption. There have been three peak periods of accumulation since 1958: 40 per cent during the 1958-60 period; over 30 per cent every year in the period from 1970 to 1976; and 36.6 per cent in 1978. Such being the case, the people's material and cultural requirements have been given little attention while the rapid growth of the population has led to a decline in the people's actual standard of living. In the 20 years from 1958 to 1978, under this policy of high accumulation, the ratio of investment in the production of capital goods to that in the production of the means of consumption was 3.2 to 1. (In almost the same period, it was 1.8 to 1 in Romania and 1.6 to 1 in Yugoslavia.)

Secondly, in distributing the accumulation fund, undue emphasis has been put on the accumulation from production while the accumulation from the non-productive areas such as housing, cultural life, health work and public service has been overlooked. In

addition, of the total sum of accumulation, the percentage of the accumulation from the non-productive areas has been going down steadily. During the First Five-Year Plan period which started in 1953, accumulation from the non-productive areas accounted for 28.3 per cent of the total sum, while during the Fourth Five-Year Plan period beginning in 1971, it dropped to 13.4 per cent. This has been justified by an erroneous theory formed over the years: accumulation just means the accumulation from production which can be used only for factory build-

ing and other kinds of capital construction. Therefore, over the years, nearly all the country's big, medium-sized and small cities have been confronted with mounting problems of urban construction and people's livelihood, particularly in respect to housing, transportation and commercial services, problems which, in turn, have affected production.

Thirdly, in distributing the accumulation from production, undue emphasis has been put on heavy industry at the expense of the development of agriculture and light industry which are directly linked with consumption. In the 20 years (1958-78), of the total investment in industry and agriculture, heavy industry took up 76 per cent while light industry and agriculture together accounted for 24 per cent. Heavy industry by 1978 had expanded to 91 times its size in 1949, but during the same 29 years light industry had registered only a 20-fold increase. The disparity is much too great.

Fourthly, as for heavy industry itself, large investments have been poured into the metallurgical and engineering industries, leaving the power industry, communications and transportation in a backward state. Heavy industry has done too much for its own development but obviously too little for agriculture and light industry.

What should be the assessment of this phenomenon of "producing for production's sake" which has appeared in socialist society? On the one hand, the achievements in the development of social productive forces should be confirmed. Since liberation, an industrial foundation has been formed with over 300,000 industrial enterprises in the country, more

An assembly line for producing 12-inch black and white TV sets was recently built at the Shanghai No. 1 Television Factory.



than 2 million machine tools and a capacity to turn out more than 30 million tons of steel annually. On the other hand, it must be acknowledged that these tremendous achievements in production were gained at too high a price. There would have been greater achievements if the above drawbacks had not interfered. Take the annual steel output. It would have far exceeded 30 million tons. Economically, these drawbacks have caused a serious imbalance between industry and agriculture and between heavy industry and light industry. In respect to the people's livelihood, there were little or no wage increases in over 20 years, and the average income and grain ration of a considerable number of peasants were rather low.

The masses' enthusiasm for production during the period of peaceful development in a socialist country will be dampened and the economy undermined if there is only the growth of production but failure to solve many pressing problems concerning the people's livelihood, and if accumulation is increased but consumption stagnates. This is the very reason why the Party Central Committee in 1979 decided to adopt the policy of readjustment of the national economy.

In addition to the sabotage by Lin Biao and the gang of four, the main reason for the above-mentioned problems is the impetuosity of our guiding thought in building socialism in an economically backward country like ours. Some people hold that, viewed from the long-term interests of both the country and the people, it is better to restrict the people's demands in their livelihood for the time being than to make slow progress in the economy and lag behind economically developed countries for a rather long period of time. Doing this, they insist, would speed up the development of the economy and narrow the gap between ourselves and the developed countries in the shortest possible time. Is there anything wrong in thinking this way? Isn't production intended for high consumption in the future? Superficially it sounds very eloquent. But the fact is that what we have done has already exceeded the limits within which the proportionate development of the national economy can be ensured and the people's living requirements met to a certain extent. The accumulation rate has reached so high a level that it is incompatible with the objective capacity, squeezing out the necessary funds for consumption. The result is an imbalance in the whole national economy and an adverse effect on the improvement of the people's standard of

living. All this is in a sharp contradiction with the aim of production which is to meet the needs of society. The subjective point of view that high accumulation shows the superiority of the socialist system has produced just the opposite result—it has undermined the superiority to a certain degree.

As a rule, the economy progresses faster in a socialist country than in a capitalist country. This is decided by the nature of the socialist economy. Accumulation is closely related to speed. But it does not follow that a socialist country can take advantage of its high degree of centralism to increase accumulation unconditionally in seeking a high speed of economic development. Why is it that socialist economy can develop at a faster speed than capitalist economy? Firstly, socialist economy is able to define the speed of the expansion of accumulation according to the speed of the progress of production, which means to meet the needs of the people's livelihood gradually on the basis of the development of production. Therefore, it can rely on the people's creativeness and their enthusiasm for production. Secondly, it is able to organize the planned production conscientiously to ensure the proportionate development of the economy. Without these two necessary conditions, it is impossible to achieve high speed. Even if the economy is pushed forward temporarily it will slide back eventually. For many years China's economy operated at a disadvantage. This is because we sought high speed in disregard of objective conditions and devoted our efforts to high speed only. Though it was well-meant, it basically undermined our efforts to achieve the speed.

There is another theory which supports the principle of high accumulation: giving absolute priority to the growth of capital goods. In practice, it is giving absolute priority to the growth of heavy industry and to the expansion of capital construction. This tendency started in 1956 when the investment in capital construction jumped 65.5 per cent above the previous year, causing an imbalance of material supply and a deficit in the state's finance. Behind the "great leap forward" in 1958 was also the theory of "giving absolute priority to the growth of the production of capital goods." The principle of "taking steel as the key link" actually became "heavy industry is for heavy industry's sake." This inflicted heavy losses on the economy and the consequences have been profound. Since these historical lessons were not seriously

summed up, these wrong practices were repeated between 1970 and 1976 and in 1978.

Under certain conditions, giving priority to the growth of the means of production conforms to objective economic laws. For example, when the development of production requires additional large quantities of new equipment to replace the old, unavoidably priority must be given to expansion of the means of production. However, the growth of the production of capital goods should be commensurate with the demands of social consumption. Giving priority to the growth of the means of production does not mean that the proportion and the speed of growth of the production of capital goods should, at all times, be higher than that of the production of the means of livelihood. Under certain circumstances or during a certain period of time, it is completely feasible to raise the proportion and the speed of growth of the production of the means of livelihood higher than

the production of capital goods, or to make the two approximately equal. This is commonly seen in the history of the development of both capitalism and socialism.

China's present economic situation is good and her economic policies are correct. However, some old habits formed over the years are deep-rooted and should not be underestimated. We should sum up our experiences in a realistic way and pay due respect to objective economic laws, which are the main basis for drawing up the country's line, principles and policies. So long as we are good at learning from historical experiences, conscientiously carry out the Party's present line for realizing the four modernizations and the policies of readjusting, restructuring, consolidating and improving the national economy, and grasp the basic economic law of socialism, we will achieve greater successes in our economic construction. □

How Major Municipalities and Provinces Give Play to Their Strong Points



Some readers have asked that our journal give more coverage to developments in the localities directly under the central government. Spurred on by the new economic policies of the Party Central Committee (discussed in "Beijing Review," issue No. 36 by the noted economist Xue Muqiao), the provinces and municipalities are investigating their local situations to discover their economic strong points and devise plans to quicken the tempo of their development.

In this issue, we publish the first three articles of a series covering developments in the various municipalities and provinces. — Ed.

Tianjin—An Important Export Base

TIANJIN (see 1 in the map), the second largest manufacturing centre in China after Shanghai, is located at the northeastern tip of the north China plain close to the Bohai Sea. Known as the gateway to the capital as it lies



120 kilometres southeast of Beijing, it serves as a major economic centre in north China and is under the direct administration of the central government.

Tianjin (literally meaning Heavenly Ford) has a number of positive features which can be utilized to develop its economy. It is the leading port in north China and a hub of a vast



Workers in a Tianjin Jacquard fabrics factory inspecting the quality of their new products.

internal transport network of inland waterways, highways, railroads and airlines. This network connects with a vast hinterland embracing large sections of north and northwest China, part of Shandong and northern Henan. Farm produce, handicrafts and other sideline products flow into this commercial port for export while industrial products converge there before finding their way into this hinterland. At its peak before the "cultural revolution," Tianjin's total import-export trade accounted for 25 per cent of the nation's total. At present it carries on trade with 148 countries and regions.

Tianjin is also one of the oldest industrial bases in China. There are 4,000 enterprises with a total of 1.26 million workers and staff. Its industry is quite diversified, half being light industry. Its processing industry is well developed with a highly competent technical force.

Another important asset is that the city possesses a plentiful supply of natural resources. It is the main producer of the famous Changlu salt and abounds in petroleum, natural gas and geothermal power. Large amounts of resources are available within a radius of 200 kilometres: petroleum from the Renqiu, Dagang and Bohai oilfields; coal from Kailuan and building and fire-resistant materials from Tangshan.

In the last few years, the farm and sideline products on the outskirts of Tianjin have been revived and are flourishing. They represent an important source of raw materials for light, textile and handicrafts industries in the city.

Tianjin has a fairly strong scientific and technical force produced in large part by its two nationally famous universities — Nankai and Tianjin — and 120 industrial research institutes. The city boasts 120,000 scientists and technicians and 300,000 technical workers.

Unfortunately Tianjin has not been able to make good use of these assets. It is considered to be still fairly backward. Having suffered from the devastating policies of Lin Biao and the gang of four, like most other metropolitan centres in China, its industrial and agricultural production falls far short of its potential. Moreover, there are great shortages in housing and other facilities due to poor urban construction planning.

For instance, Tianjin has a good port, but its foreign trade has failed to keep pace with economic growth in the nation. Its total export value has increased at a lower rate than the average level for the country and its absolute value of increase in exports is smaller than Shanghai's. Despite its rich salt, petroleum, natural gas and geothermal resources, the city has not yet developed large-scale petrochemical industries. In fact, only 2 per cent of its industries are large-scale. In addition, the quality of many of Tianjin's manufactured goods is not good enough to compete on the international market. This shortcoming was highlighted at the 1979 national quality competition where only 229 of Tianjin products ranked well among the items entered and only 110 were of export quality.

Bordering Tianjin are vast tracts of hilly land, water surfaces and beaches, altogether 60,000 hectares, which can be used for agriculture, forestry, animal husbandry, sideline occupations and fishery. But when the ultra-Left policies were implemented, agricultural production was confined to grain production only and much of these land and water resources went unused or were poorly used. While there was a slight increase in marketable grain, the peasants suffered a reduction in income and the variety of products shrunk considerably.

Not long ago, the goal of "building a new Tianjin" was put forward at the first session of the ninth people's congress of Tianjin.

Industrially, the future tasks are: 1) Determine the strengths of Tianjin by proceeding from its actual conditions; 2) raise techniques and improve management so as to provide experiences for the whole country; 3) develop high- and medium-quality consumer goods to meet the needs of the home market; 4) build the city into an important base for export by developing high-grade, precision and advanced industrial products which can compete on the international market.

In agriculture, it was decided: 1) Production should be diversified to include farm, sideline and local products for domestic and international markets; 2) greater efforts should be made to develop commodity production in the outskirts.

How can Tianjin develop its strengths? It should rely mainly on correct economic policies rather than on larger investments. Only in this way can full play be given to the people's initiative. While developing economic construction, it is essential to improve social services. The city's transport, post and telecommunications as well as municipal and housing construction are unsatisfactory because for many years the ratio of growth between production and social services was out of proportion. Meeting these popular demands is an important condition for bringing the city's strong points into full play.

Zhejiang — Mountain Area Construction

ZHEJIANG (see 2 in the map) is one of the better-off provinces in southeast China, with a mild climate and abundant precipitation. It has a flourishing diversified economy. The Hangzhou-Jiaxing-Huzhou plain is a famous area for growing grain and silkworms, and the Zhoushan Archipelago has the biggest fishing-grounds in China. Light and textile industries are developing on a solid foundation; silk piece goods, linen fabrics and paper-making hold a prominent position in the nation.

There are bright prospects for the construction of the mountain areas so long as a serious study of Zhejiang's natural conditions is undertaken and continued.

In April this year, Tie Ying, first secretary of the provincial Party committee, and others made an on-the-spot investigation in a dozen or so mountainous counties and concluded that construction in the mountain areas would constitute a key project for advancing Zhejiang's economic advantages. They said that development in these areas would help Zhejiang become prosperous.

Mountain areas make up more than 70 per cent of the total land mass in the province. They lend themselves to the development of cash crops, such as timber, bamboo, mulberries, tea, tangerines, crude drugs and raw lacquer. Their fertile pastureland can be adapted to livestock-breeding. There are also rich mineral resources.

But at present there are many mountains with only sparse vegetation or none at all. And large areas of land have not yet been opened up. Take Jiangshan County for example, no more than 6 per cent of its 50,000 hectares of hills has been reclaimed and many minerals and water resources are not being exploited. The wealth created in the rich, vast mountain areas is appallingly low. According to statistics, forestry in Quxian County contributed only 4.1 per cent of the county's income last year. In Kaihua County, 90 per cent of the total land is mountainous. The output value from forestry products and other cash crops make up only 23 per cent of the county's total.



Bamboo in Shengxian County, Zhejiang Province.

Personal income in the mountain areas is lower than the average in the province.

Investigations show that if no efforts are made in the mountain areas, no fundamental economic change in the province can be brought about. The cause of the backward economic development in these areas can be traced to neglect of specific conditions and violation of natural and economic laws. In many mountain areas, "levelling-off hilltops and turning them into flat fields," opening up "man-made plains" and going in for garden-style cultivation of farmland with "grain as the key link," in imitation of agriculture on the plains, have served to undermine rational construction of these areas.

Decisions have been made by the province to tap resources in an all-round way and speed up the construction in the mountain areas. If one-fourth of the 6.6 million hectares of hilly land in the province is turned into high-standard timber and economic forests, then the value created would be equivalent to that of all the cultivated land in the province.

To speed up construction, the provincial Party committee last year allocated 150,000 tons of grain and 8 million yuan for the poor mountainous counties and will continue to do so this year.

In working out specific plans for the mountain areas, the committee proposed that counties in these areas should gain a thorough understanding of the local resources and natural conditions. Every hill should be planned and reclaimed in keeping with its conditions.

Some hills with water and fertilizer sources, suitable for growing mulberries, should be used for planting mulberry trees, and silkworm breeding should be promoted. Tallow trees which are hardy and drought-resistant should be grown on hilltops lacking water and fertilizer. In mapping out plans, economic results should be taken into account and consideration must be given to both long-term and immediate interests. For example, it usually takes three to five years to reap the first crop of tangerines or tea leaves. Then watermelon, crude drugs and sweet grass which bring returns in a year or two should be put in. The proportion between planting and felling of trees should be well considered. Rational felling must be strictly enforced; whenever a

stretch of forest is felled, it should be replaced with saplings without delay.

In mapping out plans, the provincial Party committee lifted whatever bans hampered economic development in the mountain areas, such as restrictions on raising cattle and sheep by the commune members, and encouraged the development of household sideline production.

Guided by the correct economic policies, Zhejiang has made headway in developing its mountain areas. The acreage of economic forests last year went up to 620,000 hectares, double that of the First Five-Year Plan period (1953-57). Acreage has grown quickly for raising output of tangerines, tea, and products of tallow and tong trees. The economic situation in the mountain areas is now better than ever before.

Northern Shaanxi—Speeding Up Forestry And Livestock Breeding

THE first spring of the 1980s brought good news from northern Shaanxi Province. The peasants there earned the highest incomes ever as a result of a good harvest in 1979 in agriculture, forestry and livestock breeding.

This represented a dramatic turnaround from the past. For though northern Shaanxi was an important base area during the revolutionary civil war period and the War of Resistance Against Japan (1937-45), it has developed relatively slowly in the past 30 years. Covering an area of 90,000 square kilometres or half the size of the entire province (see 3 in the map), this region was considered infertile. This gave rise to passive ideas of sitting back and waiting for government aid and not devising plans to develop the area. Grain crops were planted with a view to eking out an existence and little consideration was given to better using the 9.5 million hectares of land, much of which is barren hill slopes or strips of desert. Forestry and livestock breeding were neglected.

The Xian-Yanan Railway, which was begun in 1972, has not been built continuously because it might not be of great economic significance as the area was thought to lack underground minerals. Yet this assumption was not based on scientific investigation. No general survey was made until very recently

and then it was discovered that large deposits of coal, oil, natural gas, arenaceous quartz and bauxite are located in the area.

The passive view of waiting for government aid which once existed in northern Shaanxi after liberation is contrary to the spirit of hard work and relying on one's efforts displayed by the Chinese Communist Party and the local people during the War of Resistance Against Japan. By giving full play to this spirit, the people had adequate food and clothing at that time. Over the last three decades, the state has provided extensive assistance in funds, materials and manpower, but they were mainly used for overcoming temporary difficulties. Therefore, no substantial improvement has resulted in production. Though aid comes every year, the area remains the same.

Clearly a positive attitude towards developing northern Shaanxi's resources was needed. This occurred among a group of advanced units. By relying on their own efforts, bringing the strong points of the locality into full play and transforming the structure of agricultural production, they have brought about a change in production.

A production brigade in Xinzhai People's Commune, Wuqi County, began growing grass for grazing animals in 1966. The fertility of the land was improved so that when crops were replanted on these grasslands, output increased from 30 to 100 per cent. Another brigade in Qinghuabian Commune on the outskirts of Yanan has in the past decade planted trees and grass on desolate slopes or infertile land where crops used to be. As a result, the amount of acreage sown with crops has shrunk, but the grain output trebled between 1970 and 1979. Moreover, as a result of the gradual development of forestry, livestock breeding and other sideline production, the average income of an able-bodied member in 1979 increased by 252 per cent compared with 1970.

As a result of these impressive achievements, northern Shaanxi people acknowledge that transforming production can be accom-



Peasants in Langao County, Shaanxi Province, transplanting Chinese lacquer tree saplings.

plished by planting trees and grass. Some 140,000 hectares in Yanan and Yulin Prefectures were planted with trees in 1979, and the survival rate has been 80 per cent and above. The number of animals has also begun to increase.

On the basis of investigations and summarizations of experiences, the Shaanxi provincial Party committee has recently made the following decisions:

(1) Northern Shaanxi should be made into a livestock breeding area. Unreasonable restrictions in raising animals must be abolished so that the collectives and peasants are free to raise any number of animals. The brigade should set aside plots of land for its members to grow fodder or provide them with fodder.

(2) Northern Shaanxi should also become a base for forestry. All barren slopes, wasteland and uncultivated deserts in the possession of the state, which the state-owned forestry centres are unable to cultivate in the near future, are to be distributed among the communes or brigades nearby for planting trees, and the planter will own the trees. In the case where the collective lacks the resources to develop its barren slopes, wasteland and uncultivated deserts, they can also be distributed among the peasants to grow trees and grass.

Optimistic about prospect for northern Shaanxi as a result of these new policies, many peasants hope that a fundamental transformation can be wrought within a few years. □

● *Student Tours China On Bicycle*

Wan Xinhua, a sophomore at the Jiangxi College of Finance and Economics, returned to campus on August 31 after a 51-day solo cycling tour across half of China. The marathon journey went through 12 provinces and municipalities and covered a distance of over 6,800 kilometres.

The 26-year-old student started out on the first day of the summer vacation from Nanchang on a bicycle his family had owned for 21 years. He visited Nanjing and Jinan in east China, Beijing in the north, and Shenyang and Harbin in the northeast. On his way back, Wan visited Dalian, Shanghai and Hangzhou. He was up and on the road by four or five o'clock every morning, and rode a dozen hours a day throughout the tour, rain or shine.

Local physical culture and sports committees and cycling teams looked after Wan throughout the journey and helped him repair his bicycle. In a letter to his parents, Wan wrote: "I don't feel I'm touring the country alone at all. People everywhere help me, and the hotels and restaurants along the route are very convenient." One day when he rode uphill for a hot spring bath 680 metres above sea level, a crowd of several hundred vacationers lined the road to cheer him on.

What prompted him to make such a long and difficult trip by bicycle? Wan said: "This was a good way to develop strength and discipline, and also a rare opportunity to see

the beautiful countryside of China."

Wan Xinhua's bike, a Shanghai-made "Yongjiu" or For Ever brand, was bought in 1959. When the bicycle factory management read in the newspaper that Wan had arrived in Shanghai, a representative from the factory called on the student at his hotel and gave him a free new bicycle of the same brand in exchange for his 21-year-old bike.

● *A Rural Library*

Every day, in one corner of China 200 to 300 peasants, retired people and students come to a rural library during their spare time to read. Located on a commune in Yunnan Province, Heshun Library is the largest rural library in the country.

Set up in 1928, it houses a collection of 40,000 volumes which are divided between four rooms of stacks and two reading rooms. The collection boasts

some ancient rare books, historical accounts of local events following the Qing Dynasty and a wide variety of Chinese periodicals published between 1911 and 1949. The library's holdings have attracted people from both within and outside the province. The well-known botanist, Cai Xitao, once visited the library to read up on literature in his field. The library's current periodical section consists of 18 newspapers and 60 periodicals and magazines.

The library has become a part of the peasants' lives and plays an active role in raising people's educational levels. Out of a population of 5,000 in Heshun commune, 90 per cent of the adults have finished junior middle schools and there are 100 college graduates. Only 77 are illiterate.

The library has benefited from the large number of its commune members who have relatives living abroad or who are themselves resettled overseas Chinese. These people



Outside the Heshun Library.

People in the News



Jin Li, an 11-year-old violinist, was recently sent to London to study in the Menuhin School for Musically Gifted Children. This is the first time that China has sent a child to study abroad at such an early age.

Jin Li is a student at the primary school affiliated with the Shanghai Conservatory of Music. Last November, while world famous violinist Yehudi Menuhin was lecturing and performing in Beijing during his visit to China, the maestro listened to several young musicians from throughout the country play the violin. When Jin Li, one of the youngest of the group, finished playing Berlioz's variations in D-minor, Menuhin warmly congratulated the boy and his teacher and later suggested that Jin Li go to London to study music.

Jin Li was born in a family of musicians. His father is a flutist and his mother a pianist. He began to receive piano lessons from his mother when he was four. At the age of six, he started to study the violin. A few years later, Jin gave his first performances and won the praise of teachers and musicians alike. In September 1979, he was admitted to the primary school in Shanghai.

Menuhin provided scholarships for two young Chinese musicians to study in London, so Jin Li is being accompanied by another violinist, 9-year-old Chen Xiang from Urumqi. The two boys left early last month, accompanied by a lecturer from the Shanghai Conservatory of Music, and will study in London for several years.

have made donations or bought furniture for the library. Assistance has also come from local people who have donated books from their private collections or who have bought books while working outside the commune. In addition, the government has allocated funds for repairing the library and buying newly published books. Some experienced librarians in other places have been invited to help the Heshun Library with classifying, cataloguing and preparing books for the shelves.

● **Psychology Training Class on Juvenile Delinquency**

The Beijing Psychological Society has opened China's first training class on the psychology of juvenile delinquents. Two hundred people, including local police officers, middle-school

teachers, Youth League cadres and factory security officers, are attending the two-month training class in Beijing. Twelve lectures will be given on such subjects as the psychological characteristics of youngsters, methods of education and correction of juvenile delinquency and crime prevention.

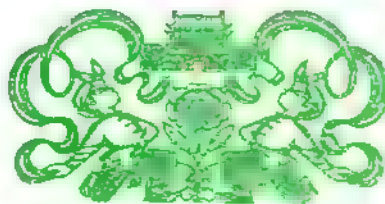
Juvenile delinquency in the city has attracted increasing attention and concern in recent years. A considerable proportion of crimes in Beijing are committed by young people, and the average age of inmates at a reform-through-labour farm is only 19. The Beijing Psychological Society holds that the ten-year "cultural revolution" seriously damaged the moral standards and attitudes of many teenagers and is largely responsible for the upsurge in crime by young people in the

last few years. The training class is expected to be useful in educating and rehabilitating past delinquents, dealing more effectively with serious offenders and preventing juvenile delinquency in the future.

● **Melon Competition**

Production teams and individuals were recently rewarded for the superior quality of their *hami* melons at an agricultural fair and exhibition in Shanshan County, Xinjiang Uygur Autonomous Region. The melons were judged on the basis of their fragrance, taste and juiciness, and the first prize for the best *hami* melons raised by a production team was 700 kilogrammes of fertilizer. The first prize for individually raised melons was 50 yuan (RMB). The fair and competition was attended by 94 different production teams from the county.

Favoured by excellent weather conditions, this area in the east part of the Tianshan Mountains is particularly suitable for raising this type of melon. Among the various kinds of *hami* melons grown there are the *huangdanzi* (yellow egg), which ripens early and has a soft, white pulp; the *hongxincui*, known for its crisp and juicy pulp and its orange colour; and the *heimeimao* (black eyebrow), which has an oval shape and green pulp. All of these melons are popular in China and sell well on both foreign and domestic markets.



FILM

50-Year Film Career of Joris Ivens Celebrated

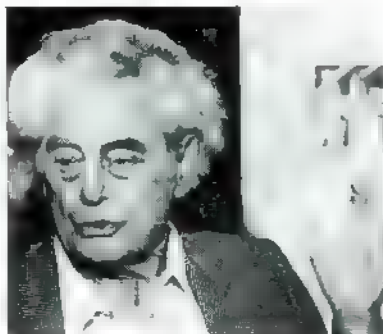
An opening ceremony was held in Beijing on September 5 to celebrate the 50th anniversary of Joris Ivens' film career. Ivens, a world-famous Dutch film director, and his associate, Marceline Loridan, took part in the ceremony and visited a photo exhibition depicting Ivens' work and achievements in the last 50 years.

Mr. Ivens is one of the founders of documentary films. His half-century of travel in many countries, where he shot dozens of documentaries, earned him the name of "the flying Dutchman." Many countries have in recent years organized revivals of his films and exhibitions of his work.

Joris Ivens is an old friend of the Chinese people. In 1938, when he first came to China, he shot the film *Four Hundred Million People*. It showed the determination of the Chinese people to fight the Japanese aggressors. He was unable to get to Yanan at that time because of obstruction by the Kuomintang reactionaries. However, the projector he gave to the Chinese Communist Party through Comrade Zhou Enlai helped to put on record many events taking place in Yanan including such important occasions as the 7th Party Congress. He returned to China several times after liberation and travelled widely, producing documentaries on China's socialist revolution and construction. These include *600 Millions Avec Vous*, *Early Spring* and *How the Foolish Old Man Removed the Mountains*.

Ivens' career and works show his deep love and sympathy for the people of the world. With his camera, he praises the people's struggle and condemns all attempts to block the advance of history. He always stands on the side of the people fighting for freedom and justice.

Sponsored by the China Film Library and the Chinese Society of World Cinema, the celebrations include a study of Ivens' films and exhibitions of his works and achievements. These films and exhibitions will be put on show in Beijing, Changchun, Shanghai and Guangzhou.



Joris Ivens at the opening ceremony.

Among the 17 documentaries selected are the cinema poems *Bridge and Rain*; *Borinage*, a record of the workers' movement in the 1930s; *Spanish Earth*, an anti-fascist film; the lyrical *By the Seine*; and several films made in China: *Four Hundred Million People*, *Early Spring*, and *How the Foolish Old Man Removed the Mountains*.

Seminars were organized to co-ordinate with the celebrations. Ivens was invited to give reports. The China Film Library has made plans to edit and publish a review of Joris Ivens' 50 years of film work. Soong Ching Ling, Vice-Chairman of the Standing Committee of the

National People's Congress, wrote a title for the book. The China Film Press has published *The Camera and I* by Joris Ivens.

MEDICINE

Treating Mental Illness In Beijing

In the past three years, 2,000 mental patients in Beijing have been treated at home rather than being institutionalized. This method has proved more effective as most cases are caused by social problems — disappointment in courtships, unhappy work situations and examination failures. Keeping such patients in their home environment has helped doctors better understand their moods and mental state; doctors are able to provide better treatment based on discussions with family, friends and work units. Home treatment also relieves the pressure on the city's mental hospitals which have only 2,500 beds.

In Beijing 0.558 per cent of the total population are mental patients (not including cases of neurosis), among whom disorders from alcoholism, senility and neglect are very rare.

Mental illness clinics have been set up in the city's 10 districts and counties and a network of prevention and treatment centres has been established in most of the urban area. The clinic at Xuanwu District conducts a general survey once every six months. The case histories of the district's 1,700 mental patients have been taken and each patient either receives routine treatment at home or is given

regular medical checkups by the clinic. Every neighbourhood in this district has professional personnel looking after its patients. Patients released from mental hospitals are followed up on, so they seldom suffer from relapses. Last year saw more rehabilitated patients than in 1978. Some are now working full time.

Beijing's civil affairs department has set up two mental hospitals to take care of those without families, and all their expenses are covered by the state. Some hospitals provide occupational therapy which, in addition to being a form of treatment, also increases patients' incomes.

Comprehensive treatment consists of combining traditional Chinese medicine and Western treatment with psychotherapy, occupational therapy and recreational treatment. This method is effective in 70-80 per cent of the cases and 50 per cent of the patients have been completely rehabilitated.

ARCHAEOLOGY

A Neolithic Village

Excavations just completed at the Jiangzhai site in northwest China have yielded the richest archaeological finds from the Neolithic Age ever to be unearthed in China. The most significant discovery was a fairly well preserved foundation of a matriarchal clan village of more than 6,000 years ago in the early period of the Yangshao culture. Other artifacts uncovered have provided important information about the origins of the Chinese language and the dating of metallurgy in China.

The Jiangzhai site was discovered in the spring of 1972

by peasants working on a farmland capital construction project. It is located 15 kilometres from the famous Banpo village, which yielded important information about the Yangshao culture when it was excavated in the 1950s.



An earthenware bowl with fish and frog designs excavated at Jiangzhai.

Between 1972 and 1979, 11 excavations were conducted at the Jiangzhai site, which comprises an area of 16,000 square kilometres. The archaeological team in charge was made up of personnel from the Banpo Museum in Xian and the Lintong County Cultural Centre.

The Jiangzhai village foundation provided valuable information about how people lived more than 6,000 years ago. Old people and children lived in five main large houses which were also used for meetings and religious activities by the clans. Each main house was surrounded by 12 to 20 smaller dwellings of either circular or square design and were used as homes and storage houses. At the centre of this residential area was a large square of around 4,000 square metres which was used for large gatherings.

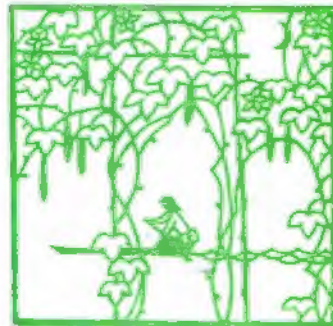
Ten thousand relics were uncovered from these premises and from a grave located nearby. These items have furnished important information about the life, culture and ideology of the people of the Yangshao culture. A brass artifact which

was 65 per cent copper, 25 per cent zinc and 10 per cent tin, lead, sulphur and iron is of import to the history of Chinese civilization for its discovery proves that metallurgy began in China more than 6,000 years ago, not in the Yin-Shang Dynasties of 3,000 years ago when bronze smelting started.

A striking characteristic of the Yangshao culture was its painted pottery but until this site was excavated no complete painting set had been uncovered. Here the painting implements—an inkslab with stone lid, a stone inkstick, several pieces of black pigment (manganese oxide) and a grey pottery cup—were found beside the skeleton of a primitive human being who is believed to have been an artist. This find shows that the inkslab existed 3,000 years earlier than had been supposed.

Pottery ware found at the site was engraved with 120 marks of 39 types, a dozen more than existed at Banpo village. Moreover, specialists believe that some of these engravings, which are unique to this site, shed further light on the origins of the Chinese language.

Lastly, the discovery of cowry shells which were used as money is of significance for it shows that the inhabitants of the Yellow River valley exchanged commodities 5-6,000 years ago.



Scientific Expedition To Qinghai-Tibet Plateau

Paleontology of Tibet (Book I)

«西藏古生物»第一分册

*From The Series of the
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Between 1973 and 1979, scientists made the sixth field trip to Tibet as members of a comprehensive scientific expedition to the Qinghai-Tibet Plateau organized by the Chinese Academy of Sciences. Over 400 scientists from 50 different disciplines participated. The vast information they collected there was compiled in the 15 million-word *Series of the Scientific Expedition to Qinghai-Tibet Plateau*.

Paleontology of Tibet (Book I), the first of the series, was published last May. It consists of nine theses — one on Pliocene strata, three on ancient mammals, two on paleoanthropology and the culture of the Stone Age, two on spore-pollen analysis and one on paleoenvironment. The scientists made the division and correlation of the strata of the late Cenozoic Era based on the discovery of *Hipparion* fauna (three-toed horse) from the Pliocene Age in Gyirong and Biru and the studies of spore-pollen analysis and sedimentary rock of the same

strata. They also went into such questions as the natural environment, the time of the uplift of the Qinghai-Tibet Plateau and the range of the uplift. Discovery of *Hipparion* fauna in the plateau is of great value to the study of biogeography. Moreover, the excavation of human fossils and cultural artifacts of the Neolithic Age in Nyangchi testifies to the existence of ancient human life in Tibet, and thus creates a broad opportunity for the study of paleoanthropology and Stone Age culture in the Qinghai-Tibet Plateau. A coloured re-structural map of the *Hipparion* fauna and 33 black and white plates are included in this book.

Paleontology of Tibet has five volumes in all. Book II deals with vertebrates, primarily fish and reptiles of the Mesozoic Era. Books III and IV are concerned with invertebrates, while Book V takes up the study of ancient plants. Each book includes many plates and photographs. These volumes will be published in 1981.

The large collection of fossils indicates that the Yarlung Zangbo River constitutes an important boundary in the paleontologic geography. This coincides with the conclusion drawn by experts of geophysics, tectonics and petrology that the river is the suture of the Indian and Eurasian plates.

Two more books in the series — *Geothermal Power of Tibet* and *Sedimentary Rock in Southern Tibet* — will be published next year. The former analyses the geochemical characteristics of spring water and hydrothermal alteration and mineralization in over 200 localities of major hydrothermal activity, and gives the reasons for the strong hydrothermal activity in Tibet. The latter deals with sedimentary facies

and models in the region of the Yarlung Zangbo suture. Siliceous rock and pebbly slate formed under peculiar environments are also described in the book.

The whole series will contain more than 40 volumes in a study of 32 topics. These include geophysics, stratigraphy, paleontology, sedimentary rocks, magmatic activity, geochemistry of granite, Quaternary geology, geothermal power, geological structure, natural geography, climate, geomorphology, glaciers, mud-rock flows, rivers and lakes, soil, vegetation, forests, grasslands, crops, animal husbandry, agrogeography, flora, avifauna, mammal insects, fish and aquatic invertebrates, amphibians and reptiles.

The series is a treasure house of scientific data. It discusses in detail the history of geological development in the Qinghai-Tibet Plateau and the surrounding area, the characteristics of the geophysical field and uplift mechanism in the plateau and the effects of this uplifting on the natural environment and human activity. The collection also touches upon the special features of the natural geography of the plateau, its evolution and differentiation, the formation and change of the biota of the plateau and the acclimatization of plants and animals to the plateau's environment.

At present most of the books in the series have already been written and will be published in the next three to five years. It is hoped that the publication of the series will promote academic exchanges between Chinese and foreign scientists and aid in the development of related disciplines.

— Shi Yongtai, an editor of
the Science Press



LETTERS FROM READERS

Less Publicity for Individuals

The article "Less Publicity for Individuals" in issue No. 34 is excellent. I think that giving prominence to individuals or over-stressing their importance, even though these persons have made tremendous contributions to the people or mankind, will to a great degree impede the development of things. In a word, it will affect the interests of the world public. But, I think, the deeds of these people may be recorded as part of the history of a country.

In addition, those who have made contributions to the masses and the suffering people also do not want others to give prominence to them. Otherwise, they are not wise men, and they would deviate from the road they should follow. I agree with your view on burial ceremony for which much money and time are wasted. You need a lot of money and time to create the material values of the world and to accomplish your four modernizations.

Edouard Nicolini
Marseille, France

Language Reform

I am disturbed at the implications of one statement in the August 18 issue of your magazine (No. 33) regarding the phoneticization of your written language.

Let me explain:

It is my clear conviction, based upon years of actual observation, that the average native-born Chinese has an intellectual acuity from 10 to 20 per cent higher than that of his Western counterpart. That is, he (or she) is sharper and smarter. The typical Chinese student here studies harder, longer, and retains better than the average American. This is a simple fact, as any grade comparisons will show.

But — and this is a big "but" — this begins to drop off with the second and third generation of Chinese born here.

Why? I am convinced that it is because of the very fact of the written characters themselves!

Chinese is unique among all other languages of the world, in that (wisely) the ancients chose to use a direct expression of mental concepts in their written forms.

Thus, embedded in the very act of learning, the child at an early age is being unconsciously trained in the uses of complex connotation, anticipation, and so on — forcing him or her to use higher centres that the lazier Western methods neglect.

Believe me! Chinese is one of the semantically soundest languages on earth — if the purpose of any written language is to convey complex ideas compactly, provocatively, and with a wealth of stimulating peripheral evocative ideas.

As a friend of the language and your people, allow me to beg you to study the implications of all this at the highest levels before you go too far!

Frederic F. Clair
Cherry Hill, N.J., U.S.A.

Your magazine is of a high quality, especially the special feature about language reform which is one of the fundamental objectives in making your beautiful language an international language. It is reasonable to do so in view of the fact that China's population accounts for a large proportion of the world's total.

Jean-Francois Blanc
Aiguillon, France

We find that you have done your best to give information on China's history, economy, architecture, geophysics and culture. Particularly in issue No. 33, we've read with great interest your article about the reform of Chinese characters, especially the origin of Chinese ideograms.

Pierre Bellanger &
Simone Fouilloux
Paris, France

Readjustment in Capital Construction

I like the special feature column most. I've read with special care the article "One Step Back,

Two Steps Forward — Readjusting Capital Construction" (No. 29). Thorough explanations have been given for the various projects which demonstrate the achievements you've made in the march towards the four modernizations. The article has clearly explained the problems that have arisen and the necessary readjustments made in order to utilize the resources in a rational way.

Jose Luis Diaz Mira
Madrid, Spain

Halt Invasion

I take great interest in reading about the background reports and comments concerning the Soviet invasion of Afghanistan and Vietnamese occupation of Kampuchea (No. 26). In fact all the peace-loving countries in the world should unite to check such invasions and bring peace to Afghanistan and Kampuchea. These countries should be left alone to settle their own problems without interference from any country.

Edward Nawurah
Tema, Ghana

More Coverage on Provinces

The nature of *Beijing Review* is, I understand, publishing international comments. If possible, please publish reports on your internal affairs, particularly on the political, economic and social conditions of the various provinces.

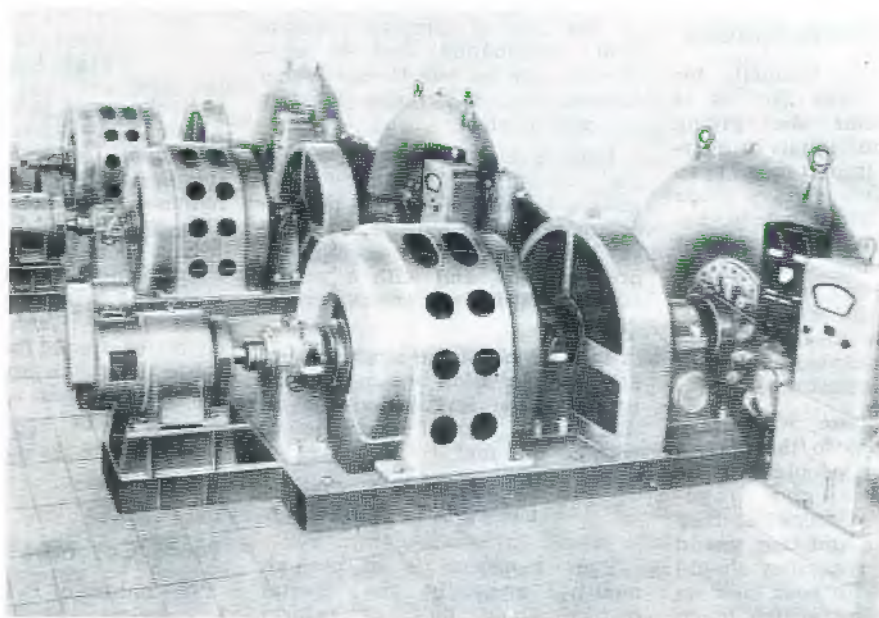
Mitsutoshi Kato
New York, U.S.A.

Commercial Advertisement

We note you have started advertising Chinese wares in your pages, and you are doing it in a gratifying way. Hope you will create a peculiar Chinese form of advertising, and not burden China with the cancerous growth of the Western form of advertisement that has as its main aim the filling of the pockets of the ad-men. The objects for disposal are the goods you wish to sell, and not the advertisement! The best and cheapest form of advertising is a straightforward statement of the goods you wish to sell.

G. Selk
Nedlands, Australia

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